

COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

KEYSPAN ENERGY DELIVERY NEW ENGLAND  
RESPONSE TO  
ATTORNEY GENERAL'S SECOND SET OF INFORMATION REQUESTS

D.T.E. 06-54

Respondent: Nancy G. Culliford

Date: September 15, 2006

Information Request AG-2-4

- Q. Please identify any and all of the Company's options (contractual and non-contractual) to terminate its obligations under the Precedent Agreement and/or any successor agreements if Algonquin incurs significant cost overruns in its proposed expansion of its G-Lateral project. For each option, provide a list of the types of costs that the Company may incur to execute such termination, and provide a rough estimate of each cost.**
- A. KeySpan does not have the right to terminate the Precedent Agreement due to Algonquin cost overruns. As discussed in response to Information Request AG-2-3, KeySpan customers are shielded from cost overruns by a tariff rate and a negotiated rate. The rate negotiated by the parties will remain the same, regardless of the final construction cost incurred by Algonquin.